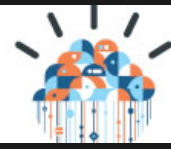


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Roseman: Extended warranties rarely worth it

September 21, 2011 3:41 PM | Comments 1 Recommend 3

By Elen Roseman

You're buying an appliance or electronics product in a store. You're dealing with a salesperson who gives you a strong pitch to buy an extended warranty to protect your purchase.

Do you go for the extended warranty? Or do you tell the salesperson to get lost?

Here's how to play the game, so you get the protection you need without being overcharged.

In my view, there's a great alternative to an extended warranty. Many credit cards protect your purchases against accidental damage, loss or theft in the first months of ownership. As part of this protection, they often double the warranty period that the manufacturer offers.

This benefit is available on many premium cards, but some free cards have it as well. The Financial Consumer Agency of Canada has a handy credit card selector tool at FCAC.gc.ca. **And there's a new private sector initiative to help people understand what kind of insurance they're getting at InsurEye.com.**



Most products now come with a one-year warranty. But if you can double that to two years, you're in good shape. Many problems will show up during that period.

Also, you may be no further ahead buying a two-year extended warranty from a store because the warranties they sell overlap with the manufacturer's warranty. Did you realize that? In the first year, you're covered twice.

Shannon Kidd, a spokeswoman for Best Buy and Future Shop, defends the overlapping coverage. The retailer's extended warranty provides extra benefits, such as a No Lemon Guarantee and a 60-day Repair Guarantee. And the retailer may replace a product under warranty when a manufacturer refuses to do so.

Before saying yes to the store's pitch, do your research. Can you buy an extended warranty from the manufacturer instead? It may be cheaper and better than the retailer's warranty.

Remember, too, that a serious safety or quality issue supersedes a warranty. It doesn't matter if you're past the one-year time limit. The manufacturer still has to fix the problem.

Consider patronizing a smaller store when you're buying major appliances or electronics products. Get to know the owners or managers and enlist their support when you're fighting with the manufacturer. That can be an effective tool to get free repairs or replacements.

Consumer Reports magazine, whose advice I trust, has said for years that most extended warranties are a waste of money. So, when you get that inevitable pitch, take your time to reply. And look at alternatives before you say yes.

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GlenS.R.Woytuck wrote:

Posted 2011/09/29 at 5:46 AM ET

I can't remember the name of the store, but some friends of mine buy ALL their electronics at the same store which offers to use ALL the money spent on extended warranty towards your next electronic purchase if the warranty expires without being used. That is a great deal. Wish I could remember the name of the store, I think it may be Visions.



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